



# DISABILITY RETIREMENT

Montana Teachers' Retirement System (TRS) offers our members the opportunity to retire with disability benefits, as long as they meet the appropriate qualifications.

## Who Qualifies for Disability Retirement?

TRS members who

- are active and contributing
- have completed five full years of active service (vested)
- become physically or mentally incapacitated
- with a disability that is likely to be permanent, *and*
- cannot continue to perform their duties

Are eligible to apply for Disability Retirement benefits.

Tier Two members (became a member on or after July 1, 2013) **are not** eligible for Disability Retirement benefits if they are eligible for Service Retirement.

The TRS Board reviews all applications for Disability Retirement and makes a determination at their quarterly meetings.

## How are Disability Retirement benefits calculated?

Disability Retirement benefits are based on one of the two following formulas, whichever gives a *greater* benefit:

- One-fourth (1/4) of the member's Average Final Compensation (AFC) or
- Years of Service x AFC x 1.6667%

The effective date of the Retirement Disability benefit is the first of the month following the date the member terminated employment.

## What is the procedure to apply for Disability Retirement benefits?

The first step in applying for Disability Retirement benefits is to contact TRS and request an estimate of benefits. You must provide the following information for the estimate:

- ☐ Date of planned termination of employment
- ☐ Final year contract earnings
- ☐ Termination pay amount
- ☐ Member date of birth
- ☐ Beneficiary date of birth
- ☐ Number of days you will work in the final contract year
- ☐ Amount of any additional earnings

## What happens after I apply?

After we receive all necessary information with your application, TRS will provide you with:

- the date of the next scheduled Board meeting,
- an estimate of Disability Retirement benefits, and
- the Disability Retirement Application Packet which includes:
  1. Application for Disability Retirement Allowance
  2. Application for Disability Retirement Allowance: Member Questionnaire
  3. Application for Disability Retirement Allowance: Employer's Report to the TRS Board
  4. Application for Disability Retirement Allowance: Physician's Report to the TRS Board
  5. Application for Disability Retirement Allowance: Release of Information
  6. IRS Form W-4P: Withholding Certificate for Pension or Annuity Payments
  7. Montana State Withholding Certificate
  8. Application for Electronic Deposit
  9. Member and Employer Certification of Termination of Employment
  10. Authorization for Deduction of Health Insurance
  11. Retirement Termination Pay

The Disability Retirement Application materials must be received in the TRS office no less than 3 weeks prior to the next scheduled Board meeting. This allows TRS staff time to review and consider the material. You must be sure that all the necessary information has been filled out on each of the forms as well as all necessary signatures. Any missing information will cause a delay in processing your application.

In addition to the application packet, the following information is helpful to the Board when considering your application (*but is not required*):

- Correspondence or documentation of disability between your physician and insurance carrier,
- Correspondence or documentation of disability between your physician and workers compensation, and/or
- Correspondence or documentation of disability between your physician and Social Security, and Social Security letter of determination.

TRS will notify you, in writing, within ten days after the Board meeting, of the Board's decision. If the decision is adverse, you may notify the Board – in writing, within 30 days from your receipt of the Board decision – that you wish to proceed to a contested case hearing.

You may refer to Montana Code Annotated Title 2, Chapter 4, Part 6 and to the Administrative Rules of Montana 2.44.201 and 2.44.202 regarding notification and contested case hearings.

Your Notes:

## **If I am receiving Disability Retirement benefits, can I return to work?**

As a disabled retiree, you may return to employment, including self-employment, as long as the *combined* income from your Disability Retirement benefit and your earnings do not exceed the greater of (a) your AFC or (b) the median salary of TRS members who retired during the preceding fiscal years.

If the combined income from your Disability Retirement benefit and your earnings do exceed the maximum allowable income, your benefit will be reduced or suspended.

## **If I have been approved for Disability Retirement benefits, are there any further requirements?**

The TRS Board requires each disability retiree to undergo a medical examination by a physician to verify the continuation of the disability:

1. Once each year for the first five (5) years following the approval of your Disability Retirement benefit and
2. Once every three years thereafter until age 60.

If you refuse to undergo a medical examination, as required, your benefit may be discontinued until an exam has been completed. If your refusal should continue for one full year, all rights to your disability benefit may be revoked.

The Board also requires each disability retiree to submit an earnings statement each year until you attain age 60. If you continue to be gainfully employed, as discussed in the previous section, you will continue to submit your annual earnings statement.

## **Where can I find more information?**

The TRS Member's Retirement Plan Handbook has more detailed information regarding disability retirement, Average Final Compensation (AFC), and Tier One and Two membership. The handbook is available to view or download as a pdf file on the TRS website at [trs.mt.gov](http://trs.mt.gov).

You can also contact TRS staff with any questions you may have calling (406) 444-3134 or (866) 600-4045.

Your Notes: